

# National Income Exceeds 76 Billion Dollars in 1940

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**L**ARGELY as a result of the stimulus provided by the defense program, the national income of the United States rose to 76 billion dollars<sup>1</sup> in 1940—more than 5 billion above the total reached in the preceding year. This comprehensive measure of the net value of the commodities and services produced by the economic enterprises of the country, both private and public, was higher in 1940 than in any year since 1929, when the record high of 83.4 billion dollars was attained. It was above the decade's previous high, 1937, by a good margin. Moreover, in terms of the physical quantity of goods and services produced—that is, dollar values adjusted for price changes—the national income in 1940 was at an all-time high and it likewise exceeded the 1929 volume on a per capita basis.

## Rapid Rise in Second Half of 1940.

Compared with advances in other years of the recovery period since 1932, the rise of 5.4 billion dollars in national income for 1940 was not exceptional. This is a reflection of the fact that economic expansion in 1940 was confined largely to the latter half of the year. The flow of income actually declined during the first 4 months and recovered only moderately in May and June. After the midyear, however, a vigorous upswing began and the rate of income flow increased by more than 1 percent a month. It is estimated that 53 percent of the year's income was produced during the second 6 months of 1940, after allowance for the usual seasonal difference between the first and second 6-month periods.

The motivating forces behind these changes in the flow of national income during 1940 all stem from the military developments in Europe. The decline during the first third of the year was itself a reaction to the upward surge of economic activity in late 1939 which was based to a considerable degree upon the wave of

inventory accumulation initiated by the outbreak of war. From the beginning of 1940 the inventory movement contracted sharply until the invasion of the Low Countries by the German forces on May 10 caused a drastic change in the fundamental economic situation. This change resulted, in the first instance, from the acceleration in the rate of Allied purchasing of war materials in this country and, after the middle of the year, from the growing demands of our own defense program.

Citation of a few figures will show the magnitude of these propelling forces. Exports of principal war-related products<sup>2</sup> in 1940 were more than double the total for the year earlier, rising from 706 million dollars to 1,492 million. Approximately 55 percent of the 1940 export total was concentrated in the second half of the year. Defense expenditures of the United States also more than doubled, with an increase from 1,290 million dollars in 1939 to 2,634 million in 1940. But not only was the absolute rise of defense spending considerably larger than war-induced exports, it was concentrated to a greater extent in the second half of the year. With an advance from little more than 150 million dollars in June to 460 million in December, about two-thirds of the year's outlay for rearmament was made after the midyear. In addition to these actual deliveries of armament materials here and abroad there was, of course, the stimulus of the work started by many industrial firms upon the huge volume of orders placed. Its importance in raising the level of national income is indicated by the inventory increase in durable goods industries of about 850 million dollars from August through December.

These three factors provided the stimulus which pushed up the level of income. There were, of course, substantial increases both in induced investment and in consumers' real income.

## Upward Movement Continued in 1941.

The upward movement of the national income has continued during the first half of 1941, although at a moderately slower pace than during the previous half-year, owing to capacity limitations and material bottlenecks. It is estimated that the national income has risen from the year-end rate of about 80 billion dollars to an annual rate in June approximating 85 billion. During this period, however, the defense program had so grown in size as to overshadow the

<sup>1</sup> The present estimate for 1940 compares with a preliminary figure of 74 billion dollars released in the February 1941 issue of the Survey of Current Business. The Bureau of the Census has recently published preliminary data on the Census of Manufactures for 1939, and for certain of the Industrial Censuses for that year. These preliminary totals have made necessary important upward revisions in the pay roll estimates for 1939 and consequently 1940, notably in trade and manufacturing, but to some extent in the service industry. Significant revisions have also been made in the finance and contract construction industries. In comparing the present estimates of the industrial origin of the national income for 1939 with those released in the June 1940 issue of the Survey of Current Business it should be noted that Social Security contributions are now included in the industrial composition of income. In addition, several minor transfers have been made, most important of which is the transfer of shipbuilding from the construction to the manufacturing industry. In general there have been no significant revisions in the data for years prior to 1937. The one important exception is in the finance industry where a special tabulation of individual and partnership returns to the Bureau of Internal Revenue for 1936 has made possible for the first time an estimate of entrepreneurial income in the brokerage industry. The resulting revisions are of some magnitude for the years 1936 and 1937 and for 1929 and earlier years but the estimates for recent years have been little affected.

<sup>2</sup> Includes heavy iron and steel, nonferrous metals, metalworking machinery, aircraft, firearms, and chemicals.

other stimulating forces in the economic situation. Whereas defense expenditures amounted to 900 million dollars in May, up from 460 in December 1940, exports were relatively stable in the early months of 1941 and the rate of inventory accumulation actually fell off rather sharply.

With the huge expansion in the output of defense equipment projected for the year ahead, recent trends may be expected to continue. A further rise of the national income is assured as still unused capacity and new production facilities come into operation. Furthermore, the rearmament effort will assume a position of almost complete dominance as a causal factor, entirely dwarfing the impact of changes in other independent demand factors.

The expansion in nondefense industries induced by British and United States armament outlays, however,

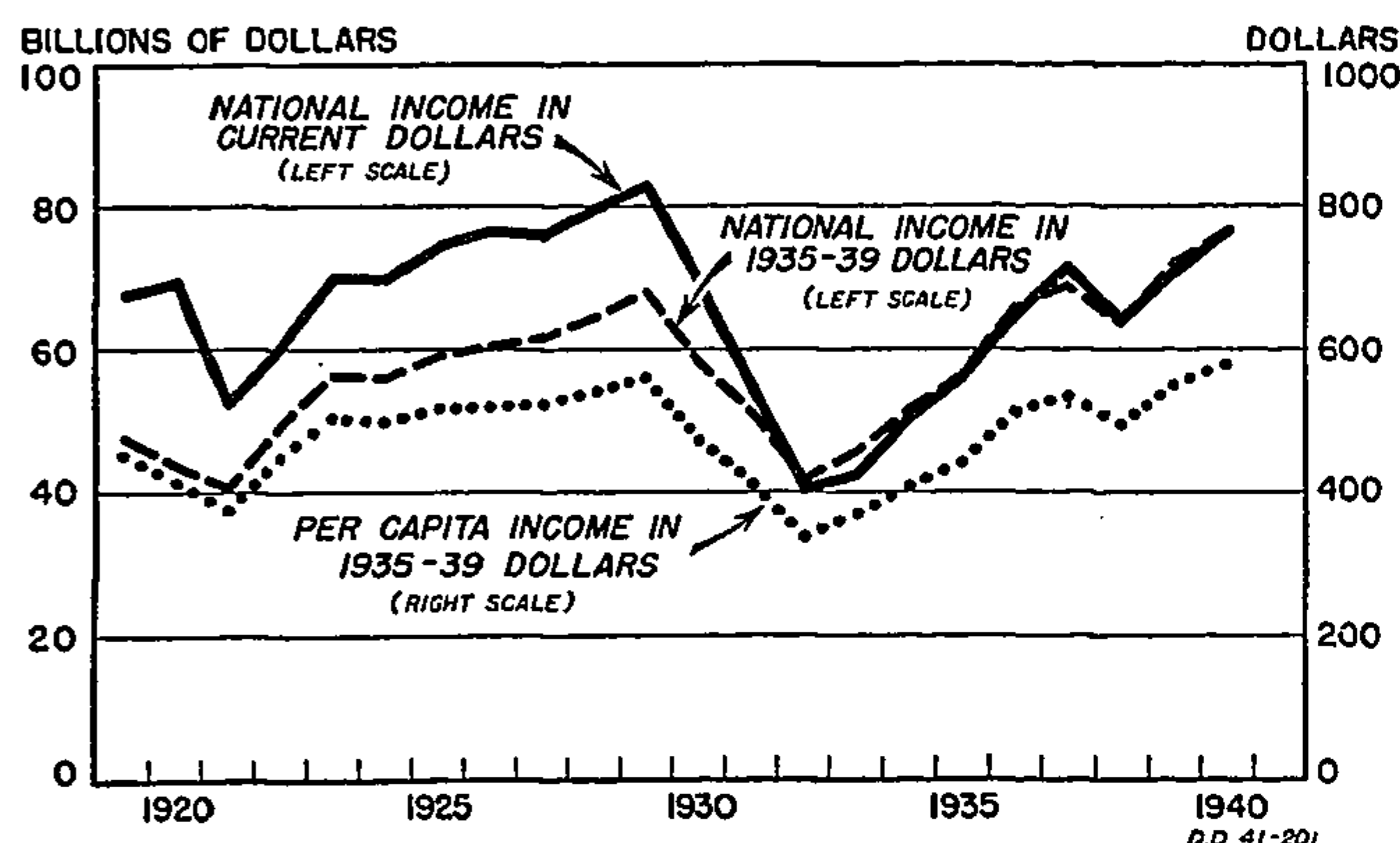


Figure 9.—National Income in Current and 1935-39 Dollars, and Per Capita Income in 1935-39 Dollars, 1919-40 (U. S. Department of Commerce).

may be expected to be less marked during the coming year. Up to the present the existence of unused capacity has allowed induced demands to be met without serious restriction. However, shortages of many raw materials that enter into durable goods have now appeared, and it can be expected that both producers' and consumers' durable goods industries will be unable to produce in sufficient quantity to meet all nondefense demands. In part, this will be reflected in a greater-than-usual rise in nondurable goods and service industries and probably, in part, in a less-than-usual relationship between the investment stimulating force (defense outlays in this case) and the increase it induces in the total output of goods and services.

#### Real Income at New High.

Inasmuch as the rise of the national income in 1940 was accompanied by only a slight rise in the prices of finished products, the increase over 1939 largely represented an increase in the physical quantity of goods and services produced. This is evident in figure 9. The three lines in the chart show the effect of successive allowances for price changes and population growth, depicting the estimated value of the national income in current dollars and in average 1935-39 dollars and

the latter after reduction to a per capita basis.<sup>3</sup> These adjustments provide a closer approximation to a measure of the change in the economic well-being of the Nation.

The importance of making an adjustment for changing prices is clearly apparent. Whereas in 1937, for example, national income in current dollars was still 14 percent below the 1929 total, the national income in fixed prices was slightly above the 1929 volume. After the recession of 1938 the national income in constant dollars moved to new highs in 1939 and again in 1940. In the latter year it was as much as 11 percent larger than in 1929. Real national income was approximately equal in 1932 and 1921 and the annual averages for the 1923-29 and 1934-37 periods were substantially equivalent. Some significance may be attached to the fact that the real national income, as estimated, was almost 60 percent higher in 1939 and 1940 than 20 years earlier.

The growth of population from about 105 million persons in 1919 to approximately 132 million in 1940 should be kept in mind in appraising the significance of this 20-year growth in the physical volume of national income. Allowing for this population growth, real income per capita in 1937 and 1939 was about equal to the per capita real income in 1927 and 1928. By 1940, real income per capita was above the 1929 peak; between these years the 11-percent gain in total real income more than offset the 9-percent increase in population. About half of the 60-percent rise in aggregate real income from 1919-20 to 1939-40 represented a gain in per capita income.

#### Components of the National Income Total.

Before proceeding with an analysis of changes in the composition of the national income, the meaning and content of the concept may be reviewed briefly. National income is the measure of the value of the net output of commodities and services produced by the private and public enterprises of the economy. It includes the economic activities carried on by all producing entities—corporations, partnerships, individual enterprises, and governmental agencies. In practice, the development follows industrial lines so that measures are at once provided for the segments of the national income that originate in each of the several broad industry groups such as agriculture, mining, trade, etc. The measure is net in the sense that the value of materials and supplies and of plant and equip-

<sup>3</sup> Conversion of national income in current dollars to national income in average 1935-39 dollars was accomplished as follows: The portion of estimated national income comprising consumers' goods in each year was determined by subtracting "net capital formation" in current dollars (taken from Simon Kuznets' *Commodity Flow and Capital Formation* and supplemental materials, National Bureau of Economic Research) from the national income totals shown in table 5. This consumers' segment was converted to average 1935-39 prices by use of the United States Bureau of Labor Statistics cost-of-living index and the United States Bureau of Agricultural Economics index of the prices paid by farmers for commodities bought for farm family maintenance. The weights used in combining the two series were based on estimated percentages of urban and rural population in the 1935-39 period multiplied by average incomes per person in urban and rural families, respectively, as found in the National Resources Committee's report on *Consumer Incomes in the United States*. To these adjusted yearly figures were added the Kuznets net capital formation data in 1929 dollars after the latter were shifted to average 1935-39 prices.



ment consumed in the process of production is deducted from the gross value of goods and services produced in order to obtain the value of net production.

The private and public enterprises utilize personal services and capital provided by individuals, who thus both contribute to the productive process and share in the division of the net product. The net product is represented by returns in the form of salaries and wages, net income of business enterprises, interest, and rents and royalties. Salaries and wages, supplements to salaries and wages, interest, and net rents and royalties are conceived as paid out by enterprises. Net incomes of businesses, on the other hand, are transferred

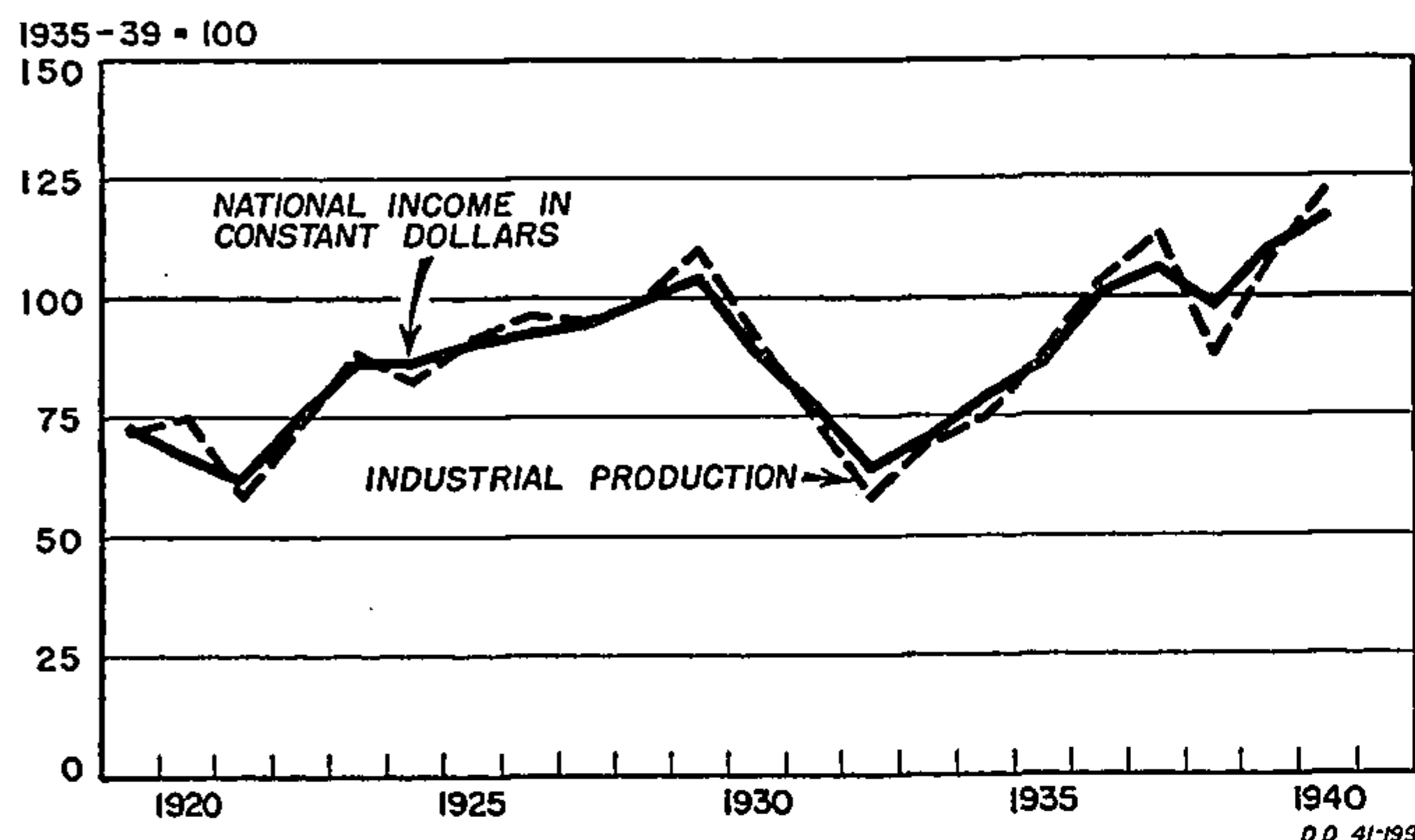


Figure 10.—Indexes of National Income in Constant Dollars and Industrial Production, 1919-40 (National Income, U. S. Department of Commerce; Industrial Production, Board of Governors of the Federal Reserve System).

only to the extent that dividend payments are made by corporations and withdrawals are made by owners of unincorporated businesses. The difference between net income and the amount disbursed constitutes business savings, such "savings" being either positive or negative. Income actually disbursed by enterprises plus business savings equals the national income.<sup>4</sup> Thus, the national income is a measure of the net value of goods and services produced and also of the claims to these goods and services. The discussion that follows deals successively with the industrial sources of the national income and its composition in terms of the different types of returns.

#### Industrial Composition of National Income in 1940.

Considering that the major impetus to the expansion of the national income in 1940 came from domestic and foreign outlays for armaments, it is to be expected that output of manufacturing industries would increase more substantially than that of other areas of the economy. That this was the case is evident from figure 10, showing relative changes in the Reserve Board's index of industrial production and the physical volume

<sup>4</sup> The concept underlying "income payments to individuals" as used in the Department's monthly income estimates and annual distributions by States should be distinguished from both of these concepts. The reconciliation of national income with income payments to individuals is made as follows: deduct (a) pensions and other contributions of employers (under Social Security, Railroad Retirement Board, and governmental employee systems); (b) pension and other contributions of employees (under the systems just noted); and (c) business savings; and add (a) direct relief, including old-age assistance, aid to dependent children, and aid to the blind; (b) Federal pensions to veterans, including payments on adjusted service certificates; (c) governmental retirement allowances; and (d) insurance benefits under Unemployment Compensation, Old-Age Insurance, and Railroad Retirement programs.

of national income. As in other years of very high business volumes, the rise in industrial production in 1940 was considerably larger than in the national income total. Against a rise in the former of approximately 20 percent, the national income, adjusted for price changes, increased by 7 percent. In this regard the armaments boom of 1940 was similar to the durable-goods investment booms of previous periods.

The same influence is evident in the changes recorded in the industrial components of the national income. Figure 11 shows that manufacturing, mining, and contract construction were the only components showing a percentage increase from 1939 greater than the over-all increase in national income. Indeed, half of the increase from 1939 to 1940 was concentrated in these commodity-producing industries, though they accounted for only slightly more than one-fourth of the national income in 1939. The gain in manufacturing, as would be expected, was not divided equally among the different types of manufacturing activities. Firms producing metals and metal products were greatly stimulated by a combination of demands for defense production and demands reflecting industrial expansion and strong consumer purchases. Income originating in these activities rose 33 percent. At the other extreme from this volatile type of durable-goods activity was the textile and leather group which recorded an improvement of only 2 percent.

Income originating in manufacturing amounted to more than 19 billion dollars in 1940, or 25.2 percent of

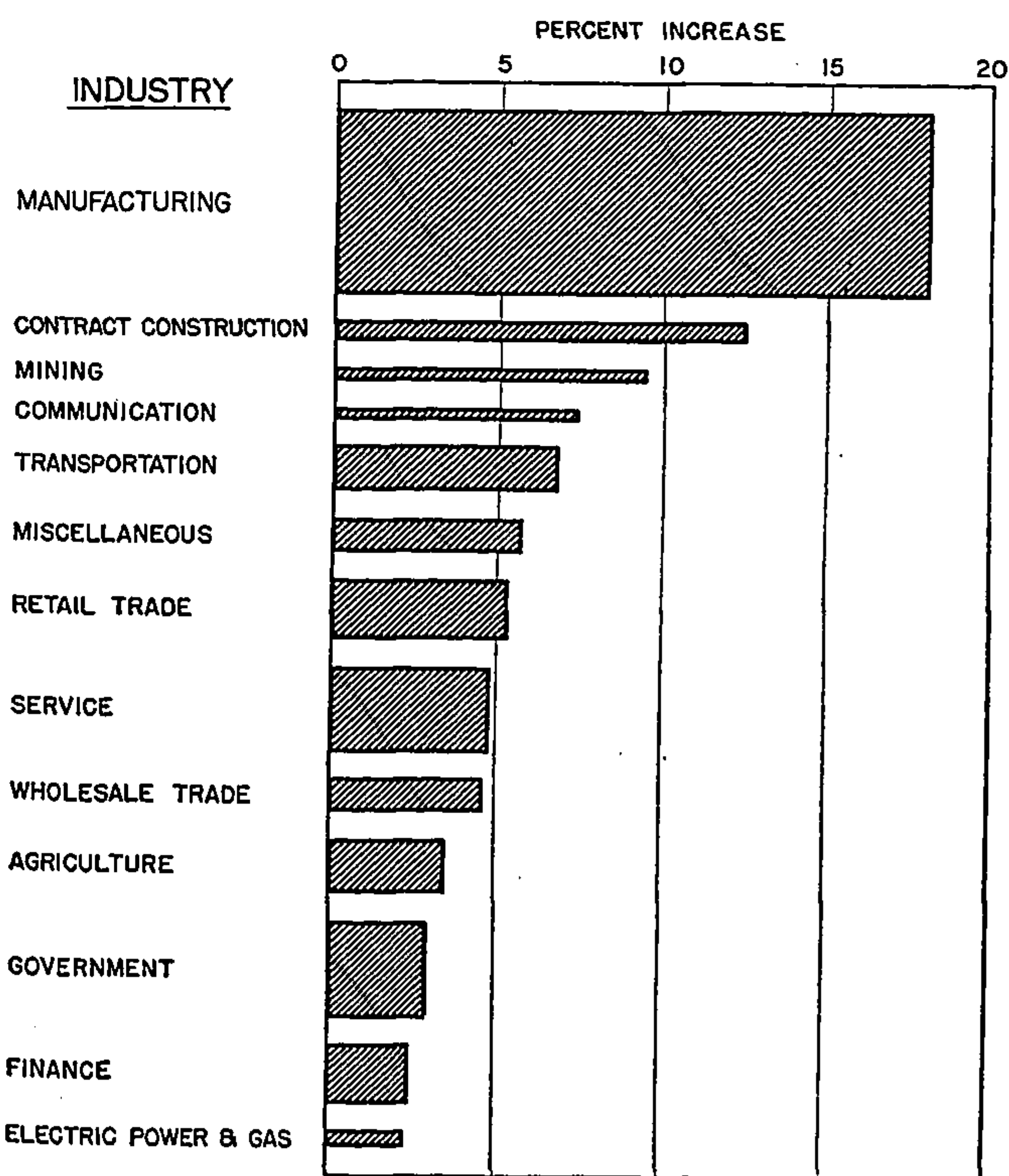


Figure 11.—Percentage Increase, 1940 from 1939, in National Income by Industrial Divisions (U. S. Department of Commerce).

NOTE.—The width of each bar represents the percent that each industrial division is of the total income for 1939.



the year's total. Only in other prosperous years has the income arising in manufacturing activities attained so large a percentage. In both 1937 and 1929, for example, 24.5 percent of the total had its origin in this industry. Such proportions are in marked contrast with the performance in a year like 1932 (15.2 percent) or even 1938 (20.7 percent), and provide evidence of the past association between strong manufacturing activity and a high level of national income.

The other industrial components did not show so aggressive an advance from 1939 to 1940 as did manufacturing, mining, and contract construction. Over the course of the past decade, however, significant shifts have occurred in the relative contribution of certain industries to the income total. Besides showing a substantial absolute rise, the relative portion of national income originating in government almost doubled between 1929 and 1940; it accounted for 13.5 percent of the total income at the end of the period as compared with only 7.6 percent in 1929. This growth is traceable very largely to an increase in Federal disbursements. Over the period, the State and local portion changed but little, rising as high as 4.3 billion dollars in 1930 and in 1931, and falling a little below 3.9 billions in 1934; the total of 4.9 billions for 1940 showed

Table 1.—National Income, by Industrial Divisions, 1940

Industrial division	Amount in 1940 (millions of dollars)	Per- cent of 1940 total	1940 as percent of—		
			1939	1932 or 1933 (whichever is lower)	1929
Total.....	76,035	100.0	107.6	100.1	91.2
Agriculture.....	5,950	7.8	103.5	233.2	82.0
Mining.....	1,422	1.9	109.5	271.4	75.5
Manufacturing.....	19,168	25.2	118.0	316.0	93.9
Contract construction.....	2,401	3.2	112.5	449.6	67.9
Transportation.....	5,293	7.0	106.7	146.8	74.5
Power and gas.....	1,450	1.9	102.3	141.3	101.8
Communication.....	984	1.3	107.3	154.5	94.4
Retail trade.....	6,424	8.5	105.3	192.5	90.4
Wholesale trade.....	3,646	4.8	104.7	210.0	92.0
Finance.....	6,195	8.1	102.4	139.9	66.0
Government (including work relief).....	10,221	13.4	102.9	157.3	161.0
Service.....	9,285	12.2	104.8	171.0	93.7
Miscellaneous.....	3,596	4.7	105.7	164.1	89.6

only a small increase from 1939. Meanwhile, the income attributed to the Federal Government more than doubled as it advanced from less than 2.2 billions in 1929 and 1930 to a total in 1940 which included 3.8 billions in other than work relief and 1.5 billions for work relief. The defense program, even in the early stage of its development in the second half of 1940, was chiefly responsible for the net rise of 287 million dollars from 1939 to 1940, despite a curtailment in work relief amounting to nearly 300 millions.

Trade and service activities, in addition to government, each accounted for 12 to 14 percent of the 1940 national income. Retail and wholesale trade combined, with 10.1 billions for the year, maintained a relative position in 1940 that has varied but little over the decade. The relative contribution of the diversified service industry increased over the decade, although less rapidly than government and without

such markedly greater-than-average strength in depression years.

Three industries, each advancing moderately over the past year and each with from 6 to 9 percent of the national income, were similar not only in size but also in that their relative contribution to the country's income total has fallen off since 1929. For agriculture and transportation the decline dates back to still earlier years; in the case of finance, however, the drop involves in considerable measure a downward adjustment from the high level attained in 1928 and 1929. The remaining industries, power and gas and communication, together accounted for approximately 3 percent of the 1940 total; each constituted a slightly larger proportion of the total income in 1940 than in 1939.

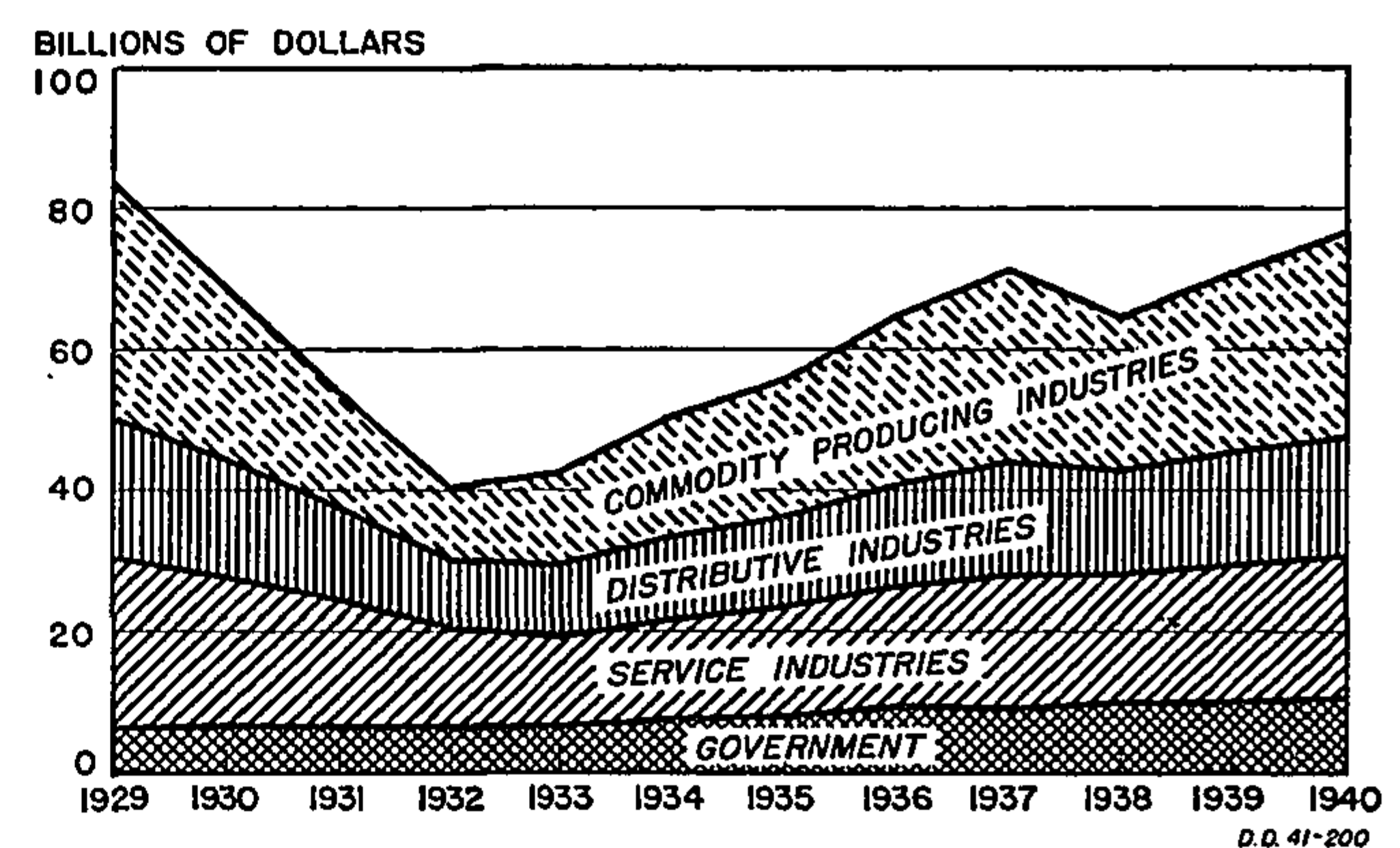


Figure 12.—National Income by Major Sources, 1929-40 (U. S. Department of Commerce).

For broad summary purposes the several industrial sources of the national income may be combined into three major groups. These include the commodity-producing industries (agriculture, mining, manufacturing, and contract construction), the distribution industries (transportation, power and gas, and retail and wholesale trade), and the service industries (communication, finance, service, government, and miscellaneous). Figure 12 shows the experience of these major groups from 1929 through 1940, separating government from the other service industries. The figure well illustrates such points as the growth of the income originating in government, the comparative stability of the distribution and service industries, and the wide cyclical swings of the commodity producing industries.

#### Gains in All Types of Returns in 1940.

Of the different types of returns, the compensation of employees increased in largest amount from 1939 to 1940, primarily because it accounts for so large a fraction of total income. The gain of 3.7 billion dollars, an 8-percent advance, was slightly smaller than that for salaries and wages alone, because of a 300-million-dollar reduction in work-relief wages, one of the supplements to salaries and wages. Aggregate employee compensation at nearly 52 billions in 1940 was within 1 billion of the current dollar total reached in 1929. On a percentage basis the largest advance of the year was scored by net income of corporations, despite a sharp rise in



Federal tax liability.<sup>5</sup> The increase of approximately 1 billion dollars in this return was about equally divided between corporate dividends and corporate business savings, with the latter showing a substantial positive amount for the first time since 1929.

Neither interest nor net rents and royalties scored an advance in excess of 100 million dollars from 1939 to 1940. Since 1929 the former has declined slowly but almost continuously, whereas the latter experienced a severe drop from which only limited recovery has been realized. Changes in the components of the net income of unincorporated business were all favorable, as may be seen in table 2; for the composite the advance amounted to about 300 million dollars. Of the compo-

**Table 2.—National Income, by Distributive Shares, for Selected Years**

[Millions of dollars]

Type of share	1929	1932	1938	1939	1940
Total national income.....	83,365	39,991	64,418	70,674	76,035
Total compensation of employees.....	52,692	31,466	44,948	48,128	51,816
Salaries and wages.....	52,246	30,888	41,089	44,349	48,158
Total supplements to salaries and wages.....	446	578	3,859	3,779	3,658
Work-relief wages <sup>1</sup> .....		132	2,094	1,870	1,577
Social Security contributions of employers.....			1,173	1,282	1,414
Other employee income <sup>2</sup> .....	446	446	592	627	667
Net income of incorporated businesses.....	7,194	-3,646	1,690	3,806	4,766
Dividends to stockholders (net).....	5,944	2,727	3,165	3,764	4,150
Business savings.....	1,250	-6,373	-1,475	42	616
Net income of unincorporated businesses <sup>3</sup> .....	14,214	5,291	11,013	11,855	12,447
Agriculture.....	5,628	1,661	4,440	4,780	4,970
Other.....	8,586	3,630	6,573	7,075	7,477
Entrepreneurial (owners') withdrawals.....	8,340	5,489	6,793	7,050	7,343
Business savings.....	246	-1,859	-220	25	134
Interest (net).....	5,901	5,656	4,861	4,884	4,935
Net rents and royalties.....	3,364	1,224	1,906	2,001	2,071

<sup>1</sup> Includes pay rolls and maintenance of Civilian Conservation Corps enrollees and pay rolls of Civil Works Administration, Federal Emergency Relief Administration, and the Federal Works Program projects plus administrative pay rolls outside of Washington, D. C., for all except the Federal Works Program. Area office employees and their pay rolls under the Federal Works Program are included with the regular Federal Government employment and pay-roll figures.

<sup>2</sup> Pension payments under private plans and under systems for Government employees, compensation for industrial injuries, etc.

<sup>3</sup> Includes returns for personal services of owners.

nents of net income of businesses both corporate and noncorporate (exclusive of agriculture), undistributed business savings moved most dynamically over the 1929-40 period. Only in 1929, 1939, and 1940 were these positive; the low mark of minus 8 billion dollars was recorded in 1932. In connection with the estimates of business savings, as in table 2, mention must be made of the fact that a considerable margin of error is inevitably present. The limitations of financial account-statements resulting from the use of techniques not necessarily consonant with economic analyses, as with depreciation for example, tend to be centered in the business-savings item. Furthermore, in the case of unincorporated businesses, the estimates of withdrawals by owners are necessarily based on limited data; after

<sup>5</sup> It is to be noted that corporate income is included in the national income after deduction for taxes, according to the present method of estimation. Hence, increases in corporate tax rates have the effect of reducing the national income figure as against other methods of government financing. At a time like the present, therefore, the estimated national income tends to understate the advance in over-all economic activity.

deduction from net income they leave a business-savings balance of only approximate validity.

#### Stability of Employee Component in Distributed Total.

Because of the special characteristics of business savings arising from the fact that they are undisbursed and that they have such wide variability in different phases of the business cycle, detailed analysis is often made after arrangement of the data in the form shown in table 3. Comparison is there made between the relative sizes of the different types of shares transferred by enterprises in different years.

**Table 3.—Comparative Size of Distributive Shares Transferred by Enterprises in Selected Years**

Type of share	1929	1932	1938	1939	1940
Amount in millions of dollars					
Total national income.....	83,365	39,991	64,418	70,674	76,035
Business savings <sup>1</sup> .....	1,496	-8,232	-1,695	67	750
Total shares transferred by enterprises.....	81,869	48,223	66,113	70,607	75,285
Percent of total transferred by enterprises					
Total shares transferred by enterprises.....	100.0	100.0	100.0	100.0	100.0
Total compensation of employees.....	64.3	65.3	68.0	68.2	68.8
Salaries and wages.....	63.8	64.1	62.1	62.8	64.0
Supplements to salaries and wages.....	.5	1.2	5.9	5.4	4.8
Work-relief wages <sup>2</sup> .....		.3	3.2	2.6	2.1
Social Security contributions of employers.....			1.8	1.8	1.8
Other employee income <sup>2</sup> .....	.5	.9	.9	.9	.9
Entrepreneurial (owners') withdrawals from enterprises other than agricultural <sup>3</sup> .....	10.2	11.4	10.3	10.0	9.8
Net income of unincorporated agricultural enterprises <sup>1</sup> .....	6.9	3.4	6.7	6.8	6.6
Total dividends, interest, and net rents and royalties.....	18.6	19.9	15.0	15.1	14.8
Dividends.....	7.3	5.7	4.8	5.3	5.5
Interest (net).....	7.2	11.6	7.5	7.0	6.6
Net rents and royalties.....	4.1	2.6	2.9	2.8	2.7

<sup>1</sup> Business savings in incorporated and unincorporated enterprises other than agricultural.

<sup>2</sup> See footnote on corresponding item table 2.

<sup>3</sup> Includes returns for personal services of owners.

Both the comparative size and the stability of the percentages that salaries and wages bear to total income distributed are to be noted. In the years covered by the table, for example, salaries and wages plus Social Security contributions of employers and other employee income, exclusive of work-relief wages, ranged narrowly between 64.3 and 66.7 percent of the total. The development of work-relief programs for the unemployed since 1929 was largely responsible for raising the total compensation of employees to as high as 68.8 percent of the aggregate income distributed in 1940.

The estimate of owner's withdrawals from unincorporated business other than agricultural showed little change from 1929 to 1940, although this share was comparatively high in 1932. Net income from unincorporated agricultural enterprises, for which actual withdrawals have not been separately estimated, had fallen severely by 1932 but in 1940 accounted for 6.6 percent of the total. The total of the disbursements for the services rendered by capital, in the form of dividends, interest, and net rents and royalties, rose percentagewise in 1932 because of the maintenance of



interest payments as against a declining disbursement aggregate. As would be expected, dividends and net rents and royalties accounted for a much smaller fraction of total disbursements in 1932 than in 1929, and even the improvement realized by 1939 and 1940 still left these disbursements below their 1929 percentages. With the interest share also lower in the last 2 years, the total of dividends, interest, and net rents and royalties was one-fifth below the comparative position attained in 1929.

It is important to recognize that underlying changes in the structure of the economy must have pronounced effects on the comparative size of the different types of shares. In going back as far as 1919 (table 5), for example, the greater proportion of the income total then originating in agriculture would tend to increase the comparative size of the net income of unincorporated businesses, largely at the expense of returns arising from other types of businesses (salaries and wages may be used as illustrative) since agriculture is predominately carried on by individual farm operators. On the other hand, the growth of service activities and their relative strength in times of depression is a type of change which would tend to offset the effect of some decline in the relative importance of agriculture. The pervading influence of corporate industrial organization is, of course, a major underlying factor evident in the comparative size of corporate labor returns in the form of salaries and wages.

**Table 4.—Salaries and Wages, Employees, and Average Salary-Wage for Employee, by Industrial Divisions, 1940**

Industrial division	Salaries and wages (millions of dollars)	Number of employees (thousands)	Average salary-wage (dollars)	1940 as percent of—		
				1939	1933	1929
Total.....	48,158	35,648	1,351	102.5	124.1	91.8
Agriculture.....	745	1,280	582	100.5	134.1	70.3
Mining.....	1,158	873	1,326	100.3	135.9	88.9
Manufacturing.....	15,218	10,696	1,423	105.6	133.6	92.3
Contract construction.....	1,907	1,295	1,473	103.5	132.0	77.4
Transportation.....	3,838	2,297	1,671	101.2	127.7	100.2
Power and gas.....	688	386	1,782	100.9	130.3	111.1
Communication.....	652	410	1,590	101.7	129.7	117.3
Retail trade.....	4,400	3,550	1,239	100.3	117.4	89.5
Wholesale trade.....	2,865	1,600	1,791	101.9	118.5	85.9
Finance.....	2,049	1,172	1,748	101.2	109.6	96.1
Government (excluding work relief).....	6,698	4,495	1,490	98.6	110.9	98.2
Service.....	5,937	6,084	976	101.8	120.5	88.5
Miscellaneous.....	2,003	1,510	1,326	102.6	125.8	90.7

**Average Salary-Wage Per Employee Higher in 1940.**

The 1940 advance in salaries and wages was for the greater part paid to additional salaried and wage workers and to more fully employed workers. Though total salaries and wages increased 7 percent from 1939 to 1940, the over-all average salary-wage per employee advanced only 2 percent. As shown in table 4, the 1940 average was 24 percent higher than the low point reached in 1933 but still 8 percent short of the similar 1929 figure. Comparisons with earlier years require modification in the light of changes in prices as seen, for example, in the Bureau of Labor Statistics cost-of-

living index. After this adjustment, it is apparent that the real salary-wage was definitely higher in 1940 than in earlier years in terms of its command over commodities used in urban living. It should be noted that full-time employment for the year as used herein is an average of the number of persons working in the different reported pay periods of the year. This is not to be confused with the total number of different persons working at some time during the year, nor does it represent the equivalent of employment for the full number of working hours during the reported pay periods or intervening periods. In addition to the summary data shown in table 4, annual industry figures for salaries and wages and average salary-wages per employee are provided in tables 9 and 10.

**Table 5.—National Income, by Industrial Origin, 1919-40<sup>1</sup>**  
[Billions of dollars]

Year	Total	Agriculture	Manufacturing	Construction	Transportation	Trade	Finance	Government	Service	Other
1919.....	67.7	11.1	17.3	1.9	5.8	11.2	5.7	4.7	5.1	4.9
1920.....	69.8	9.1	18.4	2.5	7.1	9.7	6.1	4.7	6.0	6.2
1921.....	52.8	6.3	10.7	1.9	5.7	7.1	6.0	4.8	5.8	4.5
1922.....	60.6	5.9	13.9	2.4	5.8	9.1	6.7	4.9	6.7	5.2
1923.....	70.0	6.7	17.4	3.2	6.5	10.3	7.2	5.3	7.0	6.4
1924.....	70.1	7.3	16.0	3.3	6.4	10.1	7.7	5.2	7.6	6.5
1925.....	74.8	7.7	17.4	3.5	6.7	10.7	8.1	5.4	8.3	7.0
1926.....	76.9	7.3	18.0	3.6	6.9	10.9	8.4	5.6	8.5	7.7
1927.....	76.4	7.2	17.6	3.5	6.7	10.6	8.7	5.9	8.8	7.4
1928.....	80.2	7.3	18.7	3.7	6.8	11.0	9.6	6.1	9.4	7.6
1929.....	83.4	7.3	20.4	3.5	7.1	11.1	9.4	6.3	9.9	8.4
1930.....	69.0	5.6	15.1	2.6	6.2	9.0	8.0	6.5	8.9	7.1
1931.....	54.3	3.7	10.3	1.8	5.0	7.2	6.5	6.5	7.5	5.8
1932.....	40.0	2.6	6.1	.8	3.7	5.1	4.9	6.5	5.7	4.6
1933.....	42.5	3.4	8.2	.5	3.6	5.9	4.4	6.6	5.4	4.5
1934.....	50.3	4.6	10.6	.7	3.8	6.8	4.7	7.6	6.3	5.2
1935.....	55.8	5.3	12.5	.9	4.1	7.5	5.2	7.9	6.8	5.6
1936.....	65.1	6.0	15.2	1.4	4.8	8.6	5.9	9.2	7.7	6.3
1937.....	71.4	6.4	17.5	1.8	5.2	9.6	6.4	9.0	8.6	6.9
1938.....	64.4	5.4	13.3	1.8	4.4	9.0	5.9	9.8	8.3	6.5
1939.....	70.7	5.8	16.4	2.1	5.0	9.6	6.1	9.9	8.8	7.0
1940.....	76.0	6.0	19.2	2.4	5.3	10.1	6.2	10.2	9.3	7.3

<sup>1</sup> Data for 1919-28 derived from estimates prepared by Simon Kuznets (*National Income and Capital Formation 1919-35*, National Bureau of Economic Research, Inc., New York, 1937), by linking the industrial components of each distributive share of the Kuznets' figures to comparable elements of the Department of Commerce data on the basis of 1929 relationships.

**Table 6.—National Income, by Distributive Shares: 1919-40<sup>1</sup>**  
[Billions of dollars]

Year	Total national income	Compensation of employees		Net income of incorporated businesses		Total net income of unincorporated businesses <sup>2</sup>	Interest	Net rents and royalties
		Total	Salaries and wages only	Total	Dividends only			
1919.....	67.7	38.0	37.7	5.9	3.0	18.1	3.0	2.7
1920.....	69.8	44.7	44.4	4.4	3.3	14.4	3.4	2.9
1921.....	52.8	35.6	35.3	.4	3.0	10.2	3.6	3.0
1922.....	60.6	37.6	37.3	4.0	3.0	11.8	3.8	3.4
1923.....	70.0	44.2	43.8	5.3	3.8	12.7	4.2	3.6
1924.....	70.1	43.8	43.4	4.6	3.7	13.5	4.5	3.7
1925.....	74.8	45.8	45.4	6.3	4.4	14.1	4.8	3.8
1926.....	76.9	48.5	48.1	6.3	4.7	13.6	5.0	3.5
1927.....	76.4	48.6	48.2	5.5	5.0	13.7	5.3	3.3
1928.....	80.2	50.1	49.7	7.0	5.3	14.1	5.6	3.4
1929.....	83.4	52.7	52.2	7.2	5.9	14.2	5.9	3.4
1930.....	69.0	47.9	47.4	1.7	5.6	10.7	6.1	2.7
1931.....	54.3	40.3	39.8	-1.6	4.3	7.5	6.0	2.0
1932.....	40.0	31.5	30.9	-3.6	2.7	5.3	5.7	1.2
1933.....	42.5	20.6	28.5	-.6	2.2	7.2	5.1	1.2
1934.....	50.3	34.2	32.4	.6	2.7	8.9	5.2	1.5
1935.....	55.8	37.2	35.4	1.7	2.9	10.1	5.1	1.7
1936.....	65.1	42.6	39.6	3.8	4.7	11.8	5.0	1.9
1937.....	71.4	47.8	44.6	3.9	4.8	12.5	5.0	2.1
1938.....	64.4	44.9	41.1	1.7	3.2	11.0	4.9	1.9
1939.....	70.7	48.1	44.3	3.8	3.8	11.9	4.9	2.0
1940.....	76.0	51.8	48.2	4.8	4.2	12.4	4.9	2.1

<sup>1</sup> See footnote 1, table 5.

<sup>2</sup> Includes owners' remuneration for personal services.



Table 7.—National Income by Industrial Divisions: 1929-40<sup>1</sup>

[Millions of dollars]

Industrial division	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Total national income.....	83,365	68,983	54,277	39,991	42,489	50,346	55,808	65,144	71,436	64,418	70,674	76,035
Agriculture, total.....	7,258	5,622	3,729	2,551	3,419	4,553	5,276	5,970	6,378	5,432	5,750	5,950
Mining, total <sup>2</sup> .....	1,883	1,327	748	524	590	992	1,028	1,308	1,564	1,146	1,299	1,422
Anthracite.....	271	264	212	140	129	160	131	130	116	91	100	119
Bituminous coal.....	651	521	380	245	269	422	444	524	554	453	501	559
Metal.....	365	163	48	-11	42	95	131	208	341	192	251	296
Nonmetal.....	206	169	102	45	24	77	87	133	161	115	138	156
Oil and gas.....	389	209	5	104	125	237	234	313	391	295	309	292
Manufacturing, total <sup>3</sup> .....	20,413	15,082	10,280	6,066	8,205	10,577	12,473	15,186	17,488	13,303	16,384	19,168
Food and tobacco.....	2,198	2,010	1,604	1,248	1,416	1,743	1,807	2,030	2,054	2,036	2,176	2,246
Paper, printing and publishing.....	1,988	1,844	1,467	1,008	1,039	1,226	1,345	1,513	1,696	1,494	1,576	1,707
Textiles and leather.....	3,178	2,131	1,833	1,199	1,876	2,019	2,310	2,571	2,636	2,211	2,740	2,796
Construction materials and furniture.....	2,056	1,411	786	302	540	751	951	1,292	1,527	1,181	1,443	1,616
Chemicals and petroleum refining.....	1,688	1,141	663	548	687	817	931	1,144	1,342	1,023	1,325	1,453
Metal and metal products.....	7,985	5,504	3,136	1,269	2,084	3,305	4,303	5,711	7,231	4,496	6,101	8,128
Miscellaneous and rubber.....	720	443	304	148	271	388	479	580	626	501	656	811
Contract construction, total.....	3,535	2,603	1,764	845	534	668	872	1,439	1,781	1,777	2,134	2,401
Transportation, total.....	7,107	6,167	4,962	3,653	3,605	3,831	4,144	4,840	5,191	4,417	4,960	5,293
Steam railroads, Pullman and express.....	4,640	3,859	2,965	2,079	2,115	2,224	2,404	2,810	2,961	2,463	2,823	2,996
Water transportation.....	531	471	391	289	317	344	411	482	566	455	544	594
Motor transportation and public warehouses.....	1,073	1,046	925	713	643	747	835	976	1,088	989	1,077	1,168
Street railways.....	659	624	508	427	370	379	353	399	389	333	347	359
Air transportation.....	( <sup>4</sup> )	-10	2	10	10	7	13	19	22	26	33	49
Pipe lines.....	204	177	171	135	150	130	128	145	165	151	136	127
Power and gas, total.....	1,425	1,324	1,240	1,096	1,026	1,127	1,152	1,239	1,398	1,365	1,418	1,450
Communication, total.....	1,042	1,010	906	722	637	676	720	771	854	858	917	984
Trade, total.....	11,066	9,020	7,202	5,073	5,855	6,833	7,473	8,606	9,550	8,952	9,585	10,070
Retail trade.....	7,105	5,863	4,749	3,337	3,860	4,562	4,866	5,527	6,142	5,806	6,102	6,424
Wholesale trade.....	3,961	3,157	2,453	1,736	1,995	2,271	2,607	3,079	3,408	3,146	3,483	3,646
Finance, total.....	9,390	7,975	6,465	4,909	4,429	4,729	5,215	5,936	6,388	5,898	6,051	6,195
Banking.....	1,454	1,224	814	624	485	562	711	828	957	908	950	975
Insurance.....	1,254	1,146	1,040	960	906	960	1,023	1,093	1,219	1,205	1,219	1,242
Security brokerage and real estate.....	6,682	5,605	4,611	3,325	3,038	3,207	3,481	4,015	4,212	3,775	3,882	3,978
Government, total, including work-relief.....	6,346	6,458	6,534	6,496	6,579	7,595	7,922	9,228	9,045	9,795	9,934	10,221
Total, excluding work-relief.....	6,346	6,458	6,475	6,364	5,923	6,208	6,593	7,073	7,408	7,701	8,064	8,644
Federal, including work-relief.....	2,157	2,139	2,214	2,227	2,683	3,717	3,903	4,995	4,619	5,140	5,165	5,288
Federal, excluding work-relief.....	2,157	2,139	2,155	2,095	2,027	2,330	2,574	2,840	2,980	3,046	3,295	3,711
State, county, local, and public education.....	4,189	4,319	4,320	4,269	3,896	3,878	4,019	4,233	4,426	4,655	4,769	4,933
Service, total.....	9,887	8,925	7,480	5,659	5,418	6,250	6,838	7,707	8,573	8,342	8,839	9,285
Miscellaneous, total.....	4,013	3,470	2,967	2,397	2,192	2,515	2,695	2,915	3,226	3,143	3,403	3,596

<sup>1</sup> See also notes to table 2.<sup>2</sup> Including small amounts for pensions not allocated.<sup>3</sup> Including amounts for central administrative offices not allocated.<sup>4</sup> Less than one million dollars.

Table 8.—National Income by Distributive Shares, 1929-40

[Millions of dollars]

Type of share	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Total national income.....	83,365	68,983	54,277	39,991	42,489	50,346	55,808	65,144	71,436	64,418	70,674	76,035
Total compensation of employees.....	52,692	47,853	40,326	31,466	29,578	34,232	37,199	42,640	47,829	44,948	48,128	51,816
Salaries and wages.....	52,246	47,388	39,805	30,888	28,490	32,399	35,355	39,641	44,615	41,089	44,349	48,158
Total supplements to salaries and wages.....	446	465	521	578	1,088	1,833	1,844	2,999	3,214	3,859	3,779	3,658
Work-relief wages <sup>1</sup> .....			59	132	656	1,387	1,329	2,155	1,639	2,094	1,870	1,577
Social Security contributions of employers <sup>2</sup> .....								299	1,011	1,173	1,282	1,414
Other labor income <sup>3</sup> .....	446	465	462	446	432	446	515	545	564	592	627	667
Net income of incorporated business.....	7,194	1,723	-1,614	-3,646	-625	550	1,668	3,767	3,949	1,690	3,806	4,766
Dividends to stockholders net.....	5,944	5,634	4,280	2,727	2,193	2,727	2,931	4,655	4,752	3,165	3,764	4,150
Business savings.....	1,250	-3,911	-5,894	-6,373	-2,818	-2,177	-1,263	-888	-803	-1,475	42	616
Net income of unincorporated business <sup>4</sup> .....	14,214	10,653	7,543	5,291	7,190	8,918	10,147	11,783	12,535	11,013	11,855	12,447
Agriculture.....	5,628	4,152	2,549	1,661	2,625	3,726	4,380	5,024	5,335	4,440	4,780	4,970
Other.....	8,586	6,501	4,994	3,630	4,565	5,192	5,767	6,759	7,200	6,573	7,075	7,477
Entrepreneurial (owners') withdrawals.....	8,340	7,680	6,710	5,489	4,937	5,367	5,848	6,600	7,138	6,793	7,050	7,343
Business savings.....	246	-1,179	-1,716	-1,859	-372	-176	-81	159	62	-220	25	134
Interest (net).....	5,901	6,080	5,986	5,656	5,133	5,192	5,103	5,045	5,010	4,861	4,884	4,935
Net rents and royalties.....	3,364	2,674	2,036	1,224	1,208	1,455	1,691	1,909	2,113	1,906	2,001	2,071
Total shares transferred by business enterprises <sup>5</sup> .....	81,869	74,073	61,887	48,223	45,679	52,699	57,152	65,873	72,177	66,113	70,607	75,285
Dividends, interest and net rents and royalties.....	15,209	14,388	12,302	9,607	8,539	9,374	9,725	11,609	11,875	9,932	10,649	11,156

<sup>1</sup> See footnote 1 table 2, p. 15.<sup>2</sup> Includes contributions to Railroad Retirement and Railroad Unemployment Compensation Funds.<sup>3</sup> See footnote 2, table 2, p. 15.<sup>4</sup> Includes owners' remuneration for personal services.<sup>5</sup> Formerly referred to as "Income paid out"; total national income less savings of incorporated and unincorporated businesses.

Table 9.—Total Salaries and Wages of Employees by Industrial Divisions, 1929-40

[Millions of dollars]

Industrial division	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Total salaries and wages.....	52,246	47,388	39,805	30,888	28,490	32,399	35,355	39,641	44,615	41,089	44,349	48,158
Agriculture, total.....	1,284	1,134	847	584	517	558	639	690	794	758	738	745
Mining, total.....	1,602	1,407	1,027	709	725	952	998	1,132	1,261	1,063	1,081	1,158
Anthracite.....	257	247	200	146	128	153	135	129	123	101	104	101
Bituminous coal.....	636	531	401	275	297	413	443	520	534	453	466	515
Metal.....	212	177	111	57	57	77	99	138	205	142	157	185
Nonmetal.....	151	139	108	68	62	76	84	105	120	95	104	119
Oil and gas.....	346	313	207	163	181	233	237	240	279	272	250	238
Manufacturing, total.....	15,870	13,681	10,647	7,447	7,506	9,375	10,564	12,000	14,076	11,602	13,260	15,218
Food and tobacco.....	1,550	1,480	1,256	1,017	1,044	1,268	1,329	1,418	1,572	1,544	1,595	1,671
Paper, printing and publishing.....	1,615	1,620	1,383	1,063	950	1,093	1,168	1,256	1,420	1,323	1,347	1,432
Textiles and leather.....	2,898	2,412	2,108	1,528	1,676	1,957	2,175	2,268	2,421	2,139	2,472	2,503
Construction materials and furniture.....	1,811	1,445	988	590	608	759	896	1,100	1,292	1,079	1,226	1,346
Chemicals and petroleum refining.....	858	817	672	526	530	631	677	721	850	797	840	923
Metal and metal products.....	5,947	4,818	3,377	2,109	2,132	2,994	3,603	4,453	5,658	3,952	4,901	6,360
Miscellaneous and rubber.....	591	491	376	270	274	345	378	429	487	407	512	572
Central administrative offices.....	600	598	487	344	292	328	338	345	376	361	367	411
Contract construction, total.....	2,947	2,182	1,536	806	481	573	719	1,140	1,403	1,402	1,689	1,907



Table 9.—Total Salaries and Wages of Employees by Industrial Divisions, 1929-40—Continued

[Millions of dollars]

Industrial division	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Transportation, total	4,939	4,491	3,770	2,826	2,603	2,840	3,104	3,495	3,825	3,412	3,659	3,838
Steam railroads, Pullman and express	3,228	2,850	2,333	1,685	1,560	1,689	1,831	2,056	2,218	1,961	2,090	2,156
Water transportation	472	443	374	285	297	323	376	434	507	417	481	522
Motor transportation and public warehouses	719	711	627	500	435	498	558	645	715	653	700	759
Street railways	464	434	384	312	268	281	285	299	312	308	312	316
Air transportation	6	9	12	13	13	14	16	20	24	27	32	43
Pipe lines	50	44	40	31	30	35	38	41	49	46	44	42
Power and gas, total	656	651	584	483	450	497	540	594	665	668	671	688
Electric light and power	439	448	396	312	286	313	342	385	447	449	452	466
Gas	217	203	188	171	164	184	198	209	218	219	219	222
Communication, total	706	716	640	534	461	492	507	538	606	610	622	652
Telephone	589	596	536	458	393	415	432	457	517	530	539	566
Telegraph	117	120	104	76	68	77	75	81	89	80	83	86
Trade, total	8,085	7,549	6,576	5,117	4,607	5,171	5,453	6,001	6,818	6,576	6,887	7,265
Retail trade	4,996	4,626	4,076	3,162	2,877	3,186	3,308	3,650	4,150	3,967	4,148	4,400
Wholesale trade	3,089	2,923	2,500	1,955	1,730	1,985	2,145	2,351	2,668	2,609	2,739	2,865
Finance, total <sup>1</sup>	2,503	2,403	2,138	1,898	1,703	1,764	1,794	1,922	2,035	1,961	1,994	2,049
Banking	809	796	725	617	532	565	562	570	597	605	620	634
Insurance	984	981	908	838	763	803	843	889	936	920	930	951
Security brokerage and real estate	710	626	505	443	408	396	389	463	502	436	444	464
Government, total	4,950	5,078	5,064	4,911	4,400	4,563	4,970	5,401	5,657	5,927	6,197	6,698
Federal <sup>2</sup>	1,398	1,425	1,444	1,359	1,222	1,415	1,678	1,893	1,908	1,931	2,078	2,402
State	422	441	463	466	444	457	506	567	629	683	703	714
City	1,136	1,162	1,107	1,081	908	928	949	1,012	1,072	1,171	1,182	1,235
County, township, and minor units	382	393	387	381	336	343	356	377	403	423	454	473
Public education	1,612	1,657	1,663	1,624	1,490	1,420	1,481	1,552	1,645	1,719	1,780	1,874
Service, total	6,506	6,015	5,179	4,136	3,690	4,157	4,511	5,043	5,615	5,371	5,660	5,937
Professional service <sup>3</sup>	1,224	1,254	1,193	1,095	1,010	1,014	1,056	1,133	1,213	1,237	1,265	1,292
Personal service <sup>4</sup>	2,140	1,979	1,699	1,313	1,143	1,385	1,539	1,774	1,988	1,912	2,034	2,161
Recreation and amusements <sup>5</sup>	432	405	351	291	259	283	316	353	401	402	436	443
Business service <sup>6</sup>	456	427	382	307	277	312	327	350	381	381	394	414
Miscellaneous and domestic service <sup>7</sup>	2,254	1,950	1,554	1,130	1,001	1,163	1,273	1,433	1,632	1,439	1,531	1,627
Miscellaneous, total	2,198	2,081	1,797	1,437	1,347	1,457	1,556	1,686	1,860	1,739	1,891	2,003

<sup>1</sup> Does not include certain miscellaneous financial institutions which have been included in "Miscellaneous."<sup>2</sup> Does not include work-relief wages.<sup>3</sup> Includes religious, private educational, curative, legal, accounting, and engineering (consulting) activities.<sup>4</sup> Includes hotels, restaurants, laundries, cleaning and dyeing establishments, apartment houses and office buildings, barber and beauty shops, etc.<sup>5</sup> Includes motion-picture production and exhibition, radio broadcasting, and other activities primarily providing entertainment.<sup>6</sup> Includes advertising agencies, trade associations, chambers of commerce, and other enterprises serving business establishments.<sup>7</sup> Includes domestic service and various industries providing services on automobiles, radios, elevators, watches, and other commodities.

Table 10.—Average Salary-Wage of Employees (Full-time Equivalent), by Industrial Divisions, 1929-40

Industrial division	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
Total	\$1,472	\$1,432	\$1,340	\$1,179	\$1,089	\$1,138	\$1,189	\$1,237	\$1,304	\$1,284	\$1,318	\$1,351
Agriculture <sup>1</sup> , total	828	782	632	471	434	481	517	548	606	583	588	582
Mining, total	1,492	1,397	1,186	992	976	1,083	1,124	1,199	1,269	1,230	1,321	1,326
Anthracite	1,658	1,669	1,515	1,377	1,376	1,417	1,337	1,316	1,309	1,232	1,316	1,278
Bituminous coal	1,314	1,142	930	741	765	922	971	1,106	1,117	1,081	1,223	1,206
Metal	1,631	1,526	1,261	983	983	1,027	1,125	1,232	1,434	1,279	1,342	1,412
Nonmetal	1,398	1,337	1,174	907	827	874	955	1,106	1,224	1,172	1,209	1,368
Oil and gas	1,756	1,799	1,683	1,552	1,403	1,447	1,529	1,412	1,541	1,591	1,603	1,597
Manufacturing, total	1,542	1,497	1,373	1,139	1,065	1,144	1,208	1,268	1,358	1,289	1,347	1,423
Food and tobacco	1,378	1,369	1,310	1,166	1,080	1,121	1,156	1,170	1,238	1,265	1,274	1,293
Paper, printing and publishing	1,835	1,856	1,771	1,556	1,416	1,457	1,507	1,529	1,585	1,596	1,637	1,661
Textiles and leather	1,239	1,154	1,084	875	846	920	961	963	997	956	990	1,006
Construction materials and furniture	1,354	1,318	1,192	932	869	929	984	1,060	1,131	1,093	1,117	1,151
Chemicals and petroleum refining	1,560	1,568	1,503	1,322	1,210	1,267	1,320	1,392	1,543	1,572	1,606	1,648
Metal and metal products	1,713	1,630	1,436	1,147	1,111	1,220	1,331	1,441	1,573	1,422	1,556	1,680
Miscellaneous and rubber	1,539	1,539	1,393	1,169	1,092	1,182	1,260	1,332	1,387	1,304	1,380	1,426
Central administrative officers	2,885	2,975	2,882	2,567	2,454	2,563	2,641	2,695	2,870	2,843	2,867	2,978
Contract construction, total	1,904	1,808	1,655	1,450	1,116	1,126	1,149	1,269	1,419	1,368	1,423	1,473
Transportation, total	1,668	1,635	1,568	1,370	1,309	1,371	1,476	1,549	1,613	1,613	1,652	1,671
Steam railroads, Pullman and express	1,748	1,718	1,650	1,459	1,439	1,503	1,645	1,722	1,774	1,848	1,878	1,915
Water transportation	1,645	1,623	1,585	1,390	1,314	1,380	1,535	1,676	1,779	1,668	1,781	1,717
Motor transportation and public warehouses	1,357	1,329	1,234	1,050	933	1,008	1,057	1,110	1,172	1,114	1,136	1,177
Street railways	1,725	1,722	1,684	1,537	1,433	1,479	1,524	1,590	1,642	1,692	1,733	1,765
Air transportation	2,000	2,250	2,400	2,167	2,167	2,333	2,286	2,222	2,182	2,250	2,286	2,150
Pipe lines	2,000	1,833	1,818	1,722	1,500	1,522	1,652	1,640	1,885	1,917	2,000	1,826
Power and gas, total	1,604	1,569	1,525	1,429	1,368	1,449	1,547	1,592	1,696	1,753	1,766	1,782
Electric light and power	1,614	1,566	1,511	1,381	1,349	1,423	1,520	1,598	1,726	1,782	1,801	1,827
Gas	1,584	1,574	1,554	1,527	1,402	1,496	1,597	1,583	1,639	1,698	1,698	1,695
Communication, total	1,357	1,403	1,428	1,328	1,225	1,305	1,367	1,415	1,485	1,544	1,563	1,590
Telephone	1,382	1,425	1,455	1,371	1,263	1,356	1,426	1,482	1,553	1,611	1,619	1,655
Telegraph	1,245	1,304	1,300	1,118	1,046	1,085	1,103	1,125	1,187	1,212	1,277	1,265
Trade, total	1,588	1,565	1,494	1,315	1,190	1,246	1,308	1,325	1,378	1,390	1,400	1,411
Retail trade	1,384	1,359	1,304	1,153	1,055	1,099	1,144	1,162	1,224	1,227	1,235	1,239
Wholesale trade	2,084	2,057	1,958	1,703	1,511	1,587	1,677	1,694	1,715	1,740	1,757	1,791
Finance, total <sup>2</sup>	1,818	1,816	1,755	1,656	1,595	1,638	1,638	1,704	1,759	1,717	1,726	1,748
Banking	1,740	1,769	1,743	1,719	1,632	1,687	1,735	1,776	1,826	1,850	1,879	1,893
Insurance	1,864	1,844	1,756	1,572	1,502	1,575	1,624	1,693	1,759	1,701	1,706	1,726
Security, brokerage and real estate	1,849	1,836	1,772	1,744	1,744	1,707	1,544	1,642	1,685	1,591	1,586	1,622
Government, total	1,517	1,508	1,495	1,466	1,344	1,347	1,399	1,435	1,455	1,507	1,511	1,490
Federal <sup>3</sup>	1,622	1,632	1,639	1,573	1,428	1,502	1,598	1,622	1,603	1,627	1,603	1,493
State	1,298	1,305	1,312	1,280	1,220	1,199	1,219	1,252	1,258	1,262	1,274	1,261
City	1,623	1,621	1,621	1,623	1,457	1,482	1,491	1,543	1,545	1,668	1,660	1,711
County, township, and minor units	1,399	1,394	1,397	1,391	1,273	1,270	1,295	1,304	1,326	1,356	1,343	1,379
Public education	1,463	1,432	1,393	1,374	1,276	1,216	1,254	1,294	1,371	1,445	1,481	1,493
Service, total	1,103	1,066	993	881	810	830	858	894	942	943	959	976
Professional service <sup>3</sup>	1,225	1,238	1,197	1,128	1,052	1,040	1,047	1,070	1,091	1,090	1,099	1,112
Personal service <sup>4</sup>	1,241	1,194	1,103	939	838	892	922	968	1,025	1,031	1,062	1,092
Recreation and amusement <sup>5</sup>	1,823	1,841	1,838	1,712	1,560	1,564	1,612	1,642	1,736	1,682	1,690	1,672
Business service <sup>6</sup>	1,974	1,932	1,882	1,687	1,539	1,584	1,635	1,675	1,748	1,814	1,850	1,873
Miscellaneous and domestic service <sup>7</sup>	833	770	681	573	531	554	584	617	664	638	647	662
Miscellaneous, total	1,462	1,434	1,318	1,131	1,054	1,110	1,164	1,215	1,296	1,219	1,293	1,326
Memorandum:												
Bureau of Labor Statistics cost of living index	100.0	97.5	88.7	79.7	75.4	78.1	80.1	80.9	83.8	82.3	81.1	81.8

<sup>1</sup> Does not include unpaid family labor.<sup>2</sup> See note on corresponding item table 9.<sup>3</sup> Does not include work relief employees.